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Approved For Release 2001/08/23 : CIA-RDP57-00384R000100140015-2
Security Information

C O P Y

Attachment B

OGC HAS REVIEWED.

28 November 1952

MEMORANDUM FOR: Senior Representative, MAC

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SUBJECT : Report of [REDACTED] Discussions

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1. In accordance with your expressed views that [REDACTED] should evaluate the results of our investigations in connection with [REDACTED], the undersigned took to [REDACTED] the [REDACTED] report on [REDACTED], the tape recordings of the interview and other pertinent papers. Before [REDACTED] could make final decisions, it was incumbent on us to provide them with as full information as we had.

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2. Immediately upon arrival, I met with [REDACTED] to arrange for the procedures to be followed. I stated the purpose as simply to provide information. [REDACTED] used the opportunity to explain much of the background relating to [REDACTED] and, in particular, the bankers' position on fiscal responsibility. He went into great detail to explain that the bankers had adopted the position, and properly so in his opinion, that they would assume full fiscal responsibility, and for this purpose they had inserted within [REDACTED] a number of personnel. Gradually, it became apparent that [REDACTED] was adopting the position of defense counsel for [REDACTED] and attempting to place me in a position as the prosecutor. I explained to [REDACTED] that I felt this was an improper position for either of us and that I could not accept it. With that, the first meeting closed, and arrangements were made to have recording machines available for the next interview, to play back the tapes.

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3. Although I had been informed by [REDACTED] that recording machines were available to play the tapes, it developed that machines on the scene were set at a different speed. The final result was, after a great deal of effort, that the tapes could not be played back. However, [REDACTED] did have the [REDACTED] report and the previous cable summary of the case which had been sent to Washington [REDACTED].

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4. The next morning we gathered to go into the matter. Present were [REDACTED] and myself. In addition, [REDACTED] had present a stenographer who, I was informed, is a staff agent of [REDACTED]. [REDACTED] indicated that he desired to make the day's session a matter of

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record. Therefore, for the record, I indicated my position on behalf of [REDACTED] of presenting the facts which we had developed to [REDACTED] and [REDACTED] those facts were being presented to and for their use only; indicated further that my participation would be passive only; that I had conducted all necessary interrogations of [REDACTED] and would not, at this interview, ask any further questions.

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A. [REDACTED] then conducted an interrogation of [REDACTED] which very quickly developed into a situation where he again was acting as defense counsel, preparing and developing defense through asking leading questions. At a break in the interrogation, I reiterated my view that he was so acting and was accomplishing nothing by way of developing facts. I further pointed out that there were many questions which could be asked which would assist in establishing the facts.

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[REDACTED] indicated that it was his intention to put [REDACTED] at ease in order that, when he got down to the pertinent questions, [REDACTED] would be more likely to give the complete story.

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B. The interrogation continued, and although [REDACTED] began asking questions which were more pertinent, the true and complete story was never elicited from [REDACTED]. It is my conclusion that [REDACTED] simply did not wish to accept the facts. This was confirmed by [REDACTED] in private discussions. [REDACTED] has stated that he had heard the full story from [REDACTED] and is convinced that the summary forwarded to Washington, as well as the [REDACTED] reports, are accurate in substance. [REDACTED] further stated that [REDACTED] "has a chip on his shoulder so far as the bankers are concerned."

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5. At the conclusion of the interrogation, and after [REDACTED] had left, [REDACTED] began discussing their views as to the action to be taken by them on [REDACTED] future status. They accepted fully the fact that theirs was the responsibility to make such determination, and any review of their actions would be, in the sense, that the bankers could disapprove of the exercise of their assigned responsibilities as officers of the Company. [REDACTED] stated that it had been planned to have [REDACTED] and three others promoted simultaneously to Vice Presidents. It was felt desirable for morale purposes to handle the promotions in such a manner. In considering [REDACTED] status, [REDACTED] initially stated that he felt they should simply call in [REDACTED] and tell him that, although they had made plans to promote him at the next meeting, they would have to delay it until the next monthly meeting. At this point, I suggested that [REDACTED] were discussing their own internal affairs which did not concern me. On this note, the discussions concerning [REDACTED] ended.

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6. There was also discussed the question of assignee and collector of [redacted] assets. There was received in [redacted] a cable from Washington designating [redacted] as the collector and assignee through [redacted]. There was prepared a cable to Washington, which is attached hereto. [redacted] In effect, [redacted] duties in this problem will be roughly the same, except that no documents will be made out in his name. The original plan was solely to have [redacted] act as a leg man and to perform mechanical tasks at the direction of this station. Headquarters' cable, stating that [redacted] shall direct and control such activities, somewhat weakens the position of the [redacted] in directing collection and ultimate disposition of assets. However, all efforts will be made to continue the same relationship with [redacted] in [redacted] and upon [redacted] departure, Deputy Chief, Administration, NAC, will continue overseeing the job.

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[redacted]

Attachment - A/S

JSW:km (26 November 1952)

Distribution :

Orig. and 1 - Addressee
1 - Chief, Admin.

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